

The Hospitality Industry

Chapter 8.3

Hotel Legal Structure

- Sole Proprietorships
- Partnerships
- Corporations



Proprietary Chain/Co-Owner Chain

- A **Proprietary Chain** is a chain in which one company owns all the hotels.
- A **Co-Owner Chain** is a hotel company and independent investors that share ownership.

Franchise System

- Properties can have the same name and design but be operated and owned by different companies
- Large corporations buy a hotel franchise or hotel chain and let the property be operated under a **management contract**. The corporation that owns the hotel contributes the **financial** resources, and the property manager provides the hotel **expertise**.

Budget Hotels

- Days Inn
- Econo Lodge
- Motel 6
- Red Roof Inn



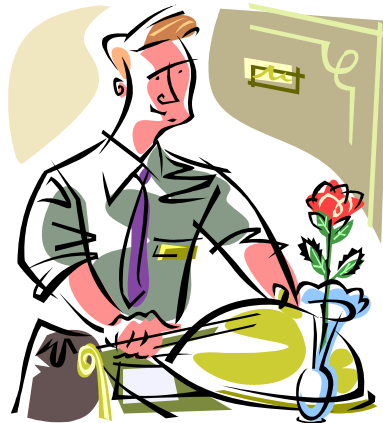
Hotels

- **Inns** – properties operating in the mid-scale market
- Deluxe hotel names often represent **Royalty**



Executive/Concierge Floors

- Certain floors, usually the top floors of a property, set aside by the hotel for patrons who are willing to pay more for frills and service. Rooms have more amenities, and have a staff desk on the floor.



Keep it CLEAN!

- The largest department, in terms of employees, for a hotel:

HOUSEKEEPING

- The most common complaint about hotels?

POOR SERVICE

Hotel Staff

- **Administration** – manages the property
- **Front Desk** – greets guests, assigns rooms, and organizes accounts
- **Accounting Department** – keeps records
- **Sales Department** – promotes the hotel and works with groups

Hotel Staff (cont.)

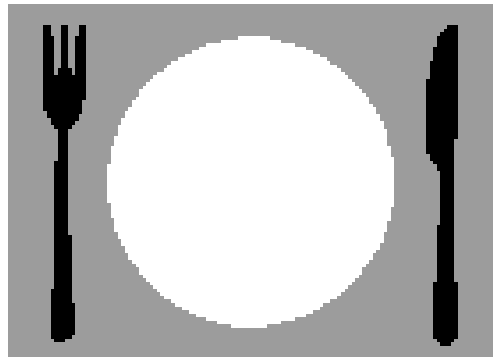
- **Food and Beverage** – provides sustenance
- **Housekeeping** – cleans rooms daily
- **Engineering Department** – keeps the hotel's electricity, plumbing, heat, and air-conditioning in working order
- **Security Department** – works to prevent fire, theft, and other disturbances

Hotel Service

- **The Hotel Employees and Restaurant Employees International Union**
- Largest Employer of Women and Minorities – **The Food Service Industry**
- **Restaurants** – largest part of the Food and Beverage Industry

Food and Beverage Department

- Food Storage and Preservation
- Beverage Service
- Food Preparation
- Banquet/Catering
- Food Service



Culinary Institute of America

- At the time, professional cooks guarded secrets so close it was hard for a beginner to learn
- Give returning WWII veterans an employable skill
- To combat postwar shortage of cooks

Meal Plans

- **AP (American Plan)** – Three meals a day
- **BB (Bed and Breakfast)** – Full breakfast, no other meals
- **CP (Continental Plan)** – Coffee or tea, bread, butter, and jam
- **EP (European Plan)** – No meals
- **MAP (Modified American Plan)** – Two meals a day, usually breakfast and dinner

Hotels

- **The American Hotel and Motel Association (Ah&MA)**
- Sales department responsibilities:
 - To keep reservation lines busy and hotel rooms occupied

Room Rates

- Room size and amenities
- Location of the room in the hotel
- The number of people in the room
- Group, corporate, and convention rates
- Taxes and service charges
- The costs of operation
- The quality of service
- Currency fluctuations
- The season
- Yield management decisions

Define

- **Rack Rate** – the price of a room originally
- **Run-of-the-house Rate** – a group rate, a flat rate per room for a group of rooms, no matter there location
- **Frequent-guest incentives** – like frequent flyer programs, rewards for members with each stay

Expensive Rooms

- In hotels, the most expensive rooms are the ones considered to have the most **convenient** location or the best **views**.



Adjoining Rooms/Connecting Rooms

- Adjoining rooms are rooms that are next door to each other.
- Connecting rooms are adjoining rooms that have a connecting door.

Rates

- Rates are based on the number of people occupying the room.
- Seasonality off-set for center-city hotels:
 - Offer weekend packages or off-season packages
- Hotel prices are quoted without taxes or service charges.

Express Check-In/Check-Out

- Guest information is already in the computer. Upon arrival, guests present id and are given the key to a pre-assigned room. In the early morning, prior to departure, the bill is slipped under the door for the guest to verify. If all is correct, guest simply leaves and bill is mailed.

Trade Guides

- Hotel and Travel Index/ABC International Edition
- Official Hotel Guide (OHG)
- Star Guide

